to the total shoftfall or does it relate to the annual targets that the Ministry might have fixed? If they relate to total shortage, is your Ministry ready to match the pace of growth of population? And if it relates to your annual targets, then what is your annual target?

SHRIMATI SHEILA KAUL: Sir, we are thinking of bringing in private developers to cover the shortfall that exists now, and the shortfall is not small.

SHRI YASHWANT SINHA: What about some private Ministers?

MR. CHAIRMAN: Why not you appoint yourself as a private Minister?

SHRI SIKANDER BAKHT: Which shortfall?

SHRIMATI SHEILA KAUL: Shortfall of the houses. (*Interruptions*)

श्री सिकन्दर बख्त : मैं यह अर्ज कर दूं कि अगर आप ओवर-आल शार्टेज की बात करेंगे तो ग्रोथ आफ पापूलेशन से आप मैच कर ही नहीं सकते हैं लिहाजा एनुअल टारगेट फिक्स कीजिये ।

† [شری شکندر بخت :

میں یہ عرض کردوں کہ اگر آپ اوور آل شارٹیج کی بات کریںگے تو گروتھ آف پاپولیشن سے آپ میچ کر ہی نہیں سکتے ہیں یا لہذا ایکچول ٹارگیٹ فکس کیجئے ۔]

कृषि मंत्री (श्री बलराम जाखड़) : खेती की जमीन कब तक देते रहेंगे आप ?

†[] Transliteration in Aabic Script.

MR. CHAIRMAN: Will you think of annual targets? That is what he wants to know.

SHRIMATI SHEILA KAUL: We have this thing here. There is a shortfall. We want to construct 10,000 to 15,000 houses every year.

MR. CHAIRMAN: That is right. Question No. 223.

Shortage of Carbon Steel Scrap

*223. SHRI HARVENDRA SINGH HANSPAL:†

SHRI KRISHNA KUMAR BIRLA:

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that a large number of steel plants in the country have been closed this year due to non-availability of imported carbon steel scrap which is not being imported in adequate quantities;

(b) if so, the reasons for not importing adequate quantity of carbon steel scrap; and

(c) the steps Government propose to take in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) While it is not a fact that a large number of steel plants in the country have been closed this year due to non-availability of imported carbon steel scrap, production in the secondary steel sector is likely to be adversely affected due to shortage of carbon steel melting scrap.

(b) Imports of carbon steel melting scrap through the canalising

*This question was actually asked on the floor of the House by Shri Harvendra Singh Hanspal.

agency, Metal Scrap Trade Corporation (MSTC), have decreased during the current year due to reduced availability of free foreign exchange.

(c) Efforts are being made to release additional foreign exchange to MSTC to import more carbon steel melting scrap. Industries can also make imports directly through the use of Exim Scrips.

श्री हरवेन्द्र सिंह हंसपाल : सभापति जी, मंत्री महोदय ने कहा कि इसकी इनफारमेशन के मुताबिक कोई यूनिट अभी तक बंद नहीं हुआ है । लेकिन मेरी जानकारी यह है कि मिनी स्टील प्लान्ट्स के 30 यूनिट्स पिछले साल में बंद हुए हैं । पिछले हफ्ते एक प्रश्न के जवाब में इन्होंने कहा था **(व्यवधान)**

श्री सभापति : इनका कहना है कि लार्ज नम्बर में बंद नहीं हुए हैं । थोड़े हुए हैं ।

श्री हरवेन्द्र सिंह हंसपाल : यह ठीक है कि 30 बंद हुए हैं । लास्ट वीक में मंत्री महोदय ने यह एश्योर किया था कि यह फाइनेंस मिनिस्ट्री को एप्रोच कर रहे हैं । और कुछ फारेन एक्सचेंज रिलीज करवा कर स्क्रैप इम्पोर्ट करेंगे ताकि और यूनिट्स बंद न हों । इस दफा भी इन्होंने यह एश्योरेंस ही दिया है । मैं जानना चाहता हूं कि यह एश्योरेंस कब तक चलेगा । क्या उन्होंने कोई एफर्ट किया है और फाइनेंस मिनिस्ट्री से कुछ फारेन एक्सचेंज रिलीज करवाया है ?

SHRI SONTOSH MOHAN DEV: Sir, there are 175 mini steel plants. Out of them 47 are closed down. This year six plants were closed down and out of them four have reopend. You have very rightly pointed out that a large number of steel plants have not been...

MR. CHAIRMAN: I did not point out. I have read your answer.

SHRI SONTOSH MOHAN DEV: Sir, last time when I answered a question, I did assure that efforts were on to get more foreign exchange. I am happy to inform the House that only yesterday—after we answered this question—the Finance Ministry released Rs. 91 crores; that means another two lakh metric tonnes will be available for the industry. They have also said that previously it was case by case release; now, it has been released and we can go ahead. I am sure this will ease the situation to a great extent.

SHRI HARVENDRA SINGH HANSPAL: I am happy that the hon. Minister could procure Rs. 91 crores from the Ministry of Finance in foreign exchange. But last year the foreign exchange allocation was to the tune of Rs. 450 crores. That means you could procure only 1/5th of it. How will you meet the deficit? In his reply the Minister has said that industries can also make imports directly through the use of Exim Scrips. I would like to ask the Minister whether it is correct that the landed cost of scrap would be more for finished products because of the existing duty structure and the premium on Exim Scrips?

SHRI SONTOSH MOHAN DEV: Sir, there is a gap, I do admit. But we are trying to cover it by substituting metal scrap by sponge iron. One million tonnes are already available and further increase in the availability of sponge iron will be effected next year. Allocation of free foreign exchange for metal scrap was Rs. 450 crores. Subsequently, because of the BOP crisis it was reduced to 1/4th. Rs. 150 crores are now being released. The shortage will be covered to a certain extent through Exim Scrips. It is a fact that the landed cost of the scrap is slightly higher than the indigenous scrap that is available in the country. We have taken up this matter with the Finance Ministry to reduce the

custom duty which was increased to 45 per cent and then reduced to 35 per cent. Due to devaluation the reduced customs duty has not given any benefit. But we are very much hopeful and things are progressing very well. In a very short time the customs duty may be reduced. If so, the effect of the Exim permit and the increase of price will be taken care of.

SHRI KRISHNA KUMAR BIRLA: Sir, the reply of the hon. Minister appears to be of a contradictory type. He has said that a large number of steel plants have not been closed down. I don't know what the definition of a large number is. Sir, 30 steel plants have been closed down, as has been pointed out by Shri Hanspal. Secondly, Sir, the Minister does not admit that the production in the secondary steel plants is likely to be adversely affected.

MR. CHAIRMAN: The question was about this year. He says only four plants were closed down this year. That is what he said. I don't know who is correct.

SHRI KRISHNA KUMAR BIRLA: Sir, if four plants are closed down, how could its adversely affect the production? The Minister has agreed that the position has been adversely affected. I would like to know from the Minister whether he would like to examine the repercussions of closure of a large number of steel plants. Sir, the danger is that something like 70 to 80 plants may be closed down due to lack of foreign exchange allocation to the importing authorities. In that way, 5 to 6 lakh workers will be thrown out of employment which is a very large number. Secondly, in case we cannot import scrap for the mini-steel plants, then we will have to import finished products, this is import steel and the cost of that will be much higher compared to the cost on import of scrap. A suggestion has been made regarding use of Exim Scrips. As mentioned by Shri Hanspal, the total cost will be prohibitive and it would not be an economic proposition. So, we are facing a strange situation.

MR. CHAIRMAN: You put your question.

SHRI KRISHNA KUMAR BIRLA: My question is, how much quantity of scrap we are likely to import in the current year against what we imported two years back. The (b) part of my question is, how is the total requirement of mini-steel plants going to be met. And part (c) of my question is, if the Exim Scrits are not economically viable, what steps are proposed to be taken by the Government to make it viable.

SHRI SONTOSH MOHAN DEV: The hon. Member asked what I meant by large business houses. Large business houses are like the Tatas, the Birlas, and Sir, you know about the small business houses. This is the gap which we want to meet. He asked the second question about closing down of the plants. In fact, you remember, last time, when I answered a similar question, we have, after that, made a study and we found that at present about 60 per cent of the capacity utilisation is in the mini-steel plants. Under no circumstances we can say that they are starving. They are suffering, no doubt; we agree. I have said previously also in my reply that the total imports by MSTC this year, with the present allocation and previous allocation, is likely to be 4.08 lakh tonnes, and it is a fact that there will be shortage. But I am happy to inform you that recently the Government has also agreed to allow ship-scrapping industry to bring scrap under OGL and thereby there will be more availability of scrap in the ship-breaking area also. But I do agree that there are difficulties. It is the overall situation of the BOP which has led to this situation.

But I am happy that the Finance Ministry with improvement in BOP position, will take a lenient view, and I feel that in the course of another 5 to 6 months, we will be able to overcome the difficulties and suffering faced by the employers and the employees.

SHRI G. Y. KRISHNAN: The Minister said that due to shortage of scrap, four steel plants have been closed. Are there any more applications for setting up mini-steel plants and in that case, how is the Ministry going to decide? Will it be on the basis of indigenously available scrap?

SHRI SONTOSH MOHAN DEV: There are different routes for the mini-steel plants to come up. One is through sponge iron. Others can come up through iron ore. I have also said in my answer last time that we expect in the course of another 3 to 4 years, 50 lakh tonnes of sponge iron to be available in the market because we have given necessary clearance. Apart from that, we have formed a study team which will give guidance about availability of iron ore, lime-stone and in other areas where the existing and the new mini-steel plants will come up.

श्री राम अवधेश सिंह : उपसभाध्यक्ष जी, मैं यह जानना चाहता हूं कि... **(व्यवधान)** मुझे आम तौर से उपसभाध्यक्ष के टाईम में बोलने का समय मिलता है, आपके टाईम में कभी-कभी मौका मिलता है। इसलिए मैंने उपसभाध्यक्ष कह दिया।

अध्यक्ष महोदय, मैं माननीय मंत्री जी से सीधा सवाल करना चाहता हूं... **(व्यवधान)**

श्री सभापति : सवाल कर लो। आपने अध्यक्ष महोदय में ही टाईम लगा दिया।

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

Revision of Royalty on Minerals

*224. SHRI RAMDAS AGARWAL: Will the Minister of MINES be pleased to state:

(a) whether it is a fact that Government have recently received requests from the Rajasthan Government for expediting revision of royalty on major minerals which has already become due in 1990;

(b) whether Government have constituted a Study Group in this regard, what are the details of the recommendations made by the group;

(c) whether it is a fact that some State Governments have expressed their reservations on the recommendations made by the group, if so, what are the details in this regard; and

(d) what decision Government have taken on the recommendations of the Study Group?

THE MINISTER OF STATE OF THE MINISTRY OF MINES (SHRI BALRAM SINGH YADAV): (a) Yes, Sir.

(b) Revision in the rates of royalty on minerals other than coal lignite and sand for stowing and minor minerals was due in May, 1990. The Ministry of Mines constituted a Study Group in April, 1989 to consider the question and make appropriate recommendations to Government. The Study Group submitted its recommendations to the Ministry in April, 1990. The salient features of the recommendations of the Study Group are as under:

(i) On the basis of Pits Mouth Value (PMV) of various minerals